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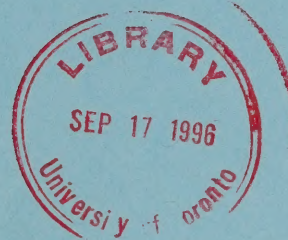
National Energy Board

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# Reasons for Decision

Yukon Pipelines Limited

MH-3-96



September 1996

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Facilities Abandonment





## National Energy Board

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### Reasons for Decision

In the Matter of

**Yukon Pipelines Limited**

Application dated 12 July 1995

**MH-3-96**

**September 1996**

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represented by the National Energy Board

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## Abbreviations

Act	–	<i>National Energy Board Act</i>
B.C.		British Columbia
Board		National Energy Board
BYR		The British Yukon Railway Company
CCME		Canadian Council of Ministers of the Environment
CEAA		<i>Canadian Environmental Assessment Act</i>
ESA		Environmental Site Assessment
ha		hectares
km		kilometre(s)
m		metre(s)
White Pass		White Pass Transportation Limited
WPYCL		White Pass and Yukon Corporation Limited
YPL		Yukon Pipelines Limited

## **Recital and Appearances**

IN THE MATTER OF the National Energy Board Act and the regulations made thereunder; and

IN THE MATTER OF an application dated 12 July 1995 by Yukon Pipelines Limited to abandon certain facilities; and

IN THE MATTER OF Hearing Order MH-3-96,

HEARD in Whitehorse, Yukon on 20 August 1996.

BEFORE:

J.A. Snider	Presiding Member
K.W. Vollman	Member
R.L. Andrew	Member

APPEARANCES:

J.M. Liteplo	Yukon Pipelines Limited
M.J. Lauer S. Carberry	Hillcrest Community Association
B. Van Dijken	Yukon Conservation Society
G. Mackenzie-Grieve V.J. Enns	Environment Canada, Environmental Protection Branch
J. Belicek	Transport Canada
K.A. Watson R.D. Roycroft	City of Whitehorse
D. Wilson B. Olivier	Yukon Territorial Government
B. de Jonge	Board Counsel



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## Chapter 1

# Introduction

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### 1.1 Background

The Yukon pipeline was built in 1942 by the United States army as part of a larger project, commonly known as the Canol pipeline project. From 1942 to 1958 the Yukon pipeline was used by the Northern Command Service, a joint operation of the armed forces of Canada and the United States, to transport fuel oil and gasoline from Skagway, Alaska to Yukon, Canada. In 1958 Yukon Pipelines Limited ("YPL") made arrangements with the governments of Canada and the United States to acquire the Yukon pipeline and continue the operation on a commercial basis.

The portion of the pipeline located in the United States consists of facilities for unloading marine barges, tankage, a pump station and 33 kilometres ("km") of 114.3 millimetre diameter pipeline from Skagway to the international boundary between Alaska and British Columbia ("B.C.") at the summit of the White Pass. These facilities were operated by Pacific and Arctic Pipelines Inc., an American corporation affiliated with YPL. The portion of the Yukon pipeline located in Canada consists of 144 km of 114.3 millimetre diameter pipeline from the international boundary at the summit of the White Pass to Whitehorse, Yukon, a deactivated pump station and tank located near Carcross, Yukon and the Upper Tank Farm located in Whitehorse. The facilities located in Canada are the subject of this proceeding and are subsequently referred to as the subject facilities or the Yukon pipeline. Figure 1-1 illustrates the Yukon pipeline.

The National Energy Board ("the Board") commenced regulating the Yukon pipeline in 1962 following the issuance of Certificate OC-12 on 7 May 1962. From 1962 to 1994 the Yukon pipeline was operated essentially unchanged with the exception of minor capital additions and routine maintenance. It was used to transport furnace oil, diesel fuel and gasoline to Whitehorse for distribution and delivery to consumers in the Yukon. In October 1994 YPL ceased operation of the Yukon pipeline.

### 1.2 The Application and Public Hearing

On 12 July 1995 YPL filed an application for an Order pursuant to section 74 of the *National Energy Board Act* ("the Act") to abandon the operation of the subject facilities. In its application YPL indicated that the subject facilities would be removed. Subsequently, the Board requested specialist advice from other federal departments pursuant to subsection 12(3) of the *Canadian Environmental Assessment Act* ("CEAA") and comments on the application from interested persons.

Based on the Board's examination of information available on the Yukon pipeline, the application, the advice of specialists and the comments of interested persons, the Board determined that more detailed information was required on the abandonment application. Additional information was requested from YPL and in response YPL filed on 12 March 1996 a Work Plan prepared by Golder Associates Ltd. ("Golder") for YPL for the Environmental Site Assessment ("ESA") of the subject facilities. By letter dated 19 June 1996 YPL advised the Board that Phase I of the ESA was complete and requested that



the Board grant approval to allow YPL to remove tanks from the Upper Tank Farm so that Phase II of the ESA could be conducted.

The Board issued Hearing Order MH-3-96 on 9 July 1996 which set out the Directions on Procedures and a list of issues for oral hearing of YPL's 12 July 1995 application. The hearing was held in Whitehorse on 20 August 1996 and at the conclusion the Board reserved its decision. YPL requested that the Board issue its decision in a timely manner so that if the Board were to approve the project, dismantling of the Upper Tank Farm could commence and YPL could begin Phase II of the ESA in September 1996.

### **1.3 Reason for the Abandonment**

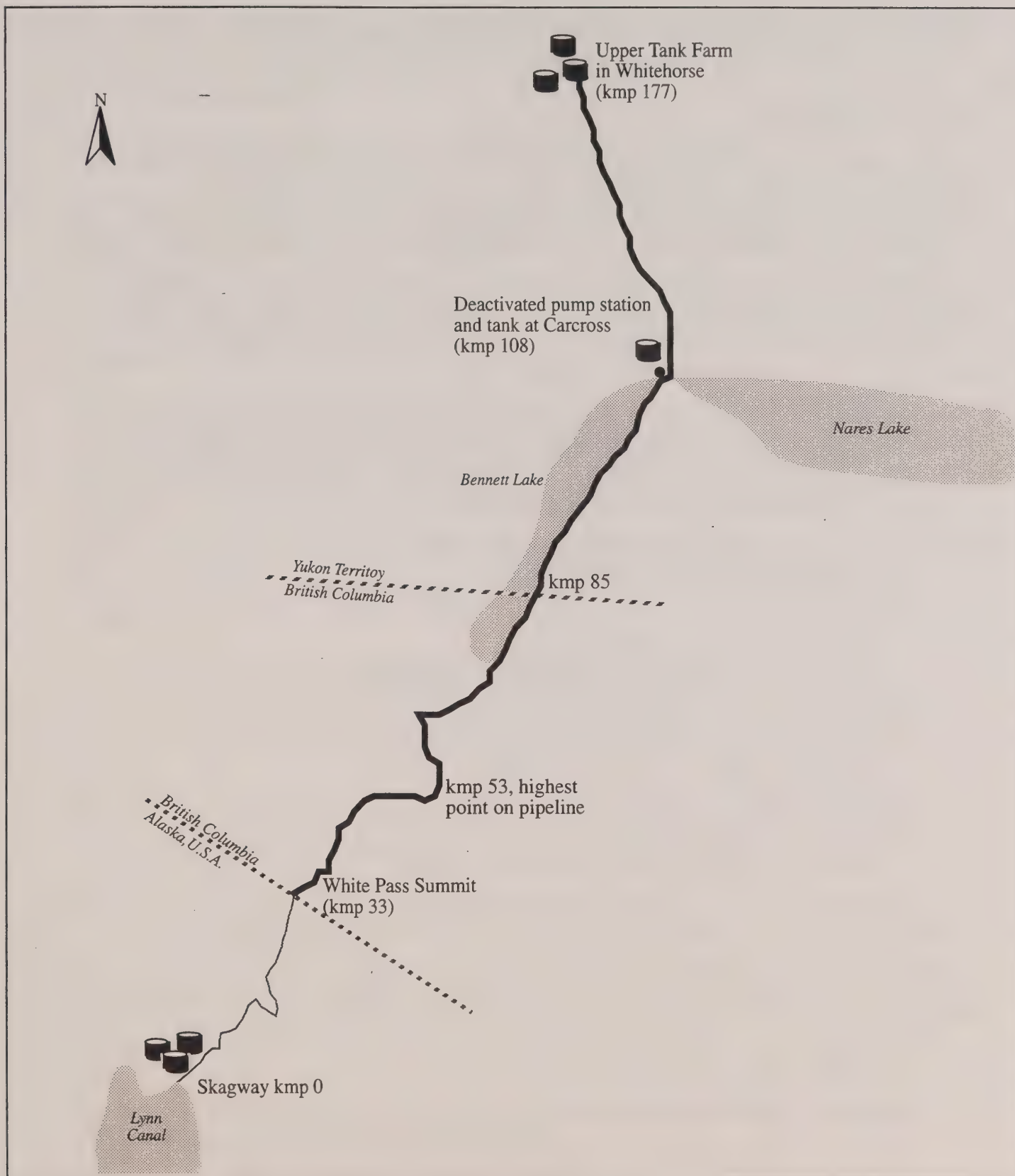
The Yukon pipeline transported up to 250 000 litres per day of refined petroleum products to Whitehorse, the distribution hub for most of the products consumed in Yukon, western North West Territories and eastern Alaska. The volumes moved on the Yukon pipeline represented a significant portion of the petroleum products moved to Whitehorse. Those volumes are now moved to Whitehorse by truck.

In its application YPL indicated that the escalating cost of operating the subject facilities was the reason for the discontinuance of operation. Counsel for YPL, in final argument, reiterated that with the passage of time the subject facilities have been rendered obsolete and are no longer economic to operate. Interested persons and parties did not provide evidence or comment on the termination of operation of the subject facilities.

#### ***Views of the Board***

The Board notes that the petroleum product transportation service provided by the Yukon pipeline is now provided by trucks. The Board also notes that the pipeline was built more than 50 years ago and accepts that technological advancements have rendered the Yukon pipeline obsolete. The Board is satisfied that the subject facilities are no longer used or useful.

Figure 1-1  
Location Map: The Yukon Pipeline





## Chapter 2

# Preliminary Work for the Abandonment

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## 2.1 Consultation

Initially, public notification about the application was carried out by the Board. The Board published advertisements in several local newspapers and made copies of the application and related documentation available in libraries and other local public venues. In addition, the Board published advertisements in newspapers as required in the Directions on Procedure in Hearing Order MH-3-96.

In carrying out the Phase I ESA, through its agent Golder, YPL discussed specific sites on the subject facilities and land adjacent to those sites with regulatory review agencies. In addition, on 8 August 1996 YPL held a public consultation meeting in Whitehorse for the purpose of discussing the abandonment project and soliciting input from interested persons.

Seven agencies/groups filed interventions in regard to environmental matters related to the proposed abandonment, comprising the Hillcrest Community Association, Yukon Conservation Society, City of Whitehorse, Yukon Territorial Government, B.C. Environment, Transport Canada, and Environment Canada. The environmental concerns raised generally related to:

- the timing of the abandonment and clean-up activities;
- assurance of a proper clean-up of the facilities;
- the potential for contamination of berries at the Upper Tank Farm site;
- past herbicide use;
- remediation standards and future land uses;
- the use of the Draft Yukon Contaminated Sites Regulations;
- the use of B.C. contaminated sites criteria and regulations;
- sampling of potable water supplies;
- the release of residual product during dismantling;
- the use of a qualified environmental consultant;
- off-site disposal for material associated with the pipeline;
- existing contamination at the Whitehorse Airport;
- assessment plans for the Carcross Pump Station; and
- financing of the abandonment and remediation activities.

Throughout the proceeding certain interested parties expressed a need to have information made available and to provide opportunity for consultation at each stage of the abandonment project. YPL submitted that it is committed to continuing consultations with appropriate government officials and other interested persons throughout the abandonment project. This consultation will include providing relevant information to interested persons and addressing issues and concerns raised.

### *Views of the Board*

The Board is satisfied that through the combined efforts of the Board and YPL adequate notification of the abandonment project was provided to parties interested in or having concerns with the subject facilities. In addition, the Board notes that

meaningful consultation with interested parties was conducted. In regard to interested parties expressing a need for consultation at each stage of the abandonment, the Board accepts YPL's commitment to continue consultations with interested persons. The Board also notes that, as further consultation transpires, the Board could at its discretion hold a public meeting to resolve conflicts or unresolved concerns arising from the consultations.

## **2.2 Environmental Effects of the Abandonment Activities**

During the summer of 1995, hydrocarbons were removed from the entire pipeline in accordance with Canadian Council of Ministers of the Environment ("CCME") code of practice section 6.4.2(1). This cleaning process involved propelling an internal pipeline cleaning device, commonly referred to as a "pig", through the line up to three times. The pipeline was disconnected at the valve locations and taps were installed in low-lying areas to drain any trapped products. YPL submitted that, in June 1996, no evidence of the presence of hydrocarbons was observed in the pipe and no detectable concentration of organic vapours was measured.

YPL stated that the piping will be dismantled and removed by a qualified contractor in accordance with applicable provincial, federal and territorial codes of practice, criteria, guidelines and regulations. Where the pipeline is located within environmentally sensitive areas, YPL indicated that the dismantling and removal activities will be monitored by a qualified professional. Where the pipe is buried under roadways and rail tracks (less than one percent of the length), YPL indicated that it will be abandoned in place by exposing the pipe where it enters and exits the ground surface and filling the pipe with inert material. YPL indicated that, where thinly covered pipe is removed from the ground, the slightly disturbed ground surface will be restored using hand-held rakes and revegetated as required.

Where pipe is removed from waterbodies, YPL indicated that the work will be conducted in accordance with notifications/approvals issued by the territorial/provincial environment authorities and by the Department of Fisheries and Oceans and will be monitored by a fisheries biologist to ensure that any disturbance to fish habitat is kept to a minimum.

In the event of a spill of residual products from the pipeline, YPL indicated that pipeline removal crews will carry spill clean-up material so that any spills can be quickly cleaned up. In the event of a slope failure and siltation of potential fish bearing water, YPL stated that it will avoid conducting pipeline removal during spawning season and it will use silt curtains where appropriate. Where localized destruction of the terrestrial environment accidentally occurs, YPL indicated that it will recontour the terrestrial environment and implement slope stability measures.

Piping at the Upper Tank Farm will be cleaned and dismantled in the same manner and to the same standards as the pipeline. The tanks at the Upper Tank Farm and at the Carcross pump station will be cleaned to the CCME code of practice, section 6.4.2(1) and any waste resulting from the cleaning of yard piping and tanks will be handled in accordance with the *Yukon Special Waste Regulations*. YPL indicated that significant portions of the Upper Tank Farm site offer natural habitat suitable for a variety of terrestrial receptors and that every effort will be made to preserve the natural habitat during the dismantling of the facilities at the Upper Tank Farm.



### *Views of the Board*

The Board is satisfied that the potential environmental effects of the abandonment activities have been addressed in the information and evidence submitted by YPL. Considering the mitigative measures already taken and those set out in YPL's submissions and evidence, the Board is satisfied that the abandonment activities are not likely to cause significant adverse environmental effects.

## **2.3 Phase I of the Environmental Site Assessment**

In order to assess the environmental effects arising from the operation of the subject facilities YPL had Golder conduct a Phase I ESA as set out in the Work Plan prepared by Golder and submitted to the Board on 12 March 1996. The Phase I ESA was subsequently carried out on the pipeline and at the Upper Tank Farm. Golder's report on the results of the Phase I ESA was submitted to the Board on 26 July 1996.

A risk-based assessment was employed which is founded on the concept that in order for adverse health or ecological effects to occur, hazardous concentrations of a contaminant must come into contact with human or ecological receptors. This approach resulted in the identification of five sites along the pipeline which require field investigation under the Phase II ESA. Environment Canada raised a concern over inconsistencies of spill information cited by Golder and that provided to regulatory agencies at the time of the spills. YPL committed to review Environment Canada's pipeline spill information in an effort to resolve the inconsistencies.

At the Upper Tank Farm two of fifteen soil samples were found to contain detectable concentrations of hydrocarbons. In addition, YPL submitted that at the Upper Tank Farm there are residual levels of hydrocarbons at a depth of 30 metres ("m") below the surface.

Also at the Upper Tank Farm, five groundwater samples were taken from groundwater monitoring wells. Evidence of light extractable petroleum hydrocarbons was found, which indicates the absence of a layer of hydrocarbons floating on the water table in the immediate vicinity of the wells sampled. However, there may be residual or free phase hydrocarbons, or both, near the well bores. In four of the five wells benzene, toluene, ethylbenzene and xylenes concentrations were detected. In one of these wells a high concentration of benzene was detected. Elevated levels of lead and selenium were also detected in this well.

Transport Canada raised the concern that contamination at the airport may have occurred through a pipeline running between the Upper Tank Farm and the airport. YPL testified that it did not purchase nor has it found any evidence of such a pipeline. YPL indicated that it would investigate the contamination at the airport to determine if there is correlation between a pipeline release along the Alaska Highway north of the airport and the contamination described by Transport Canada.

The Phase I ESA at the Carcross pump station was not conducted due to uncertainty as to YPL's right of access to the station. YPL indicated that the access problems are now resolved and Phase I of the ESA will be completed at the pump station prior to the start of any Phase II ESA work on the subject facilities.



### *Views of the Board*

The Board is satisfied with the Phase I ESA conducted on the pipeline right-of-way and at the Upper Tank Farm and that an adequate Phase I ESA will be carried out at the Carcross pump station. The Board acknowledges YPL's commitment to resolve the pipeline spill information inconsistencies identified by Environment Canada and notes that if a need for further action is identified, YPL should take the necessary action under the Phase I ESA or while the Phase II ESA is underway.

## **2.4 The Board's Environmental Assessment Process**

The Board has completed an Environmental Screening Report pursuant to the CEAA and the Board's own regulatory process. In accordance with Hearing Order MH-3-96 and directions given during the Hearing, the Environmental Screening Report was released to those parties who requested a copy from the Board, to those federal agencies that provided specialist advice on the proposed abandonment and to YPL.

The Board considered the Environmental Screening Report and the comments received on the report and is of the view that, taking into account the implementation of the proposed mitigative measures and those set out in the attached conditions, YPL's proposed abandonment is not likely to cause significant adverse environmental effects. This represents a decision pursuant to paragraph 20(1)(a) of the CEAA.

The comments received, and the Board's views, were added to the Environmental Screening Report as Appendices I and II respectively. Copies of the Board's Environmental Screening Report are available upon request from the Board's Regulatory Support Office.

## **2.5 Land Matters**

The Upper Tank Farm comprises 55.8 hectares ("ha") and YPL holds fee simple title to these lands. A fee simple title for the Carcross pump station is held by The British Yukon Railway Company ("BYR"), a wholly owned subsidiary of White Pass and Yukon Corporation Limited ("WPYCL"). After remediation to residential standards the Upper Tank Farm land will likely be sold for housing development with some commercial real estate.

YPL holds pipeline easements for the pipeline right-of-way within the Alaska Highway right-of-way and that portion of the pipeline right-of-way that is located within the Whitehorse Block Land Transfer. With respect to the remainder of the pipeline, for most of its length it lies upon rail rights-of-way owned by BYR and The British Columbia-Yukon Railway Company. Where the pipeline deviates from those rights-of-way, an easement was agreed to by the Government of Canada but never granted. When WPYCL is eventually sold YPL indicates that the right-of-way will also be sold.

### *Views of the Board*

The Board acknowledges YPL's intentions for disposing of its land and right-of-way upon completion of the abandonment project.

## 2.6 Financial Matters

YPL submitted information to indicate that the cost of the project would be \$1.6 million. This included removing the pipe, dismantling the tanks at the Upper Tank Farm and Carcross pump station, the Phase I and II ESAs and any required remedial work. The cost of this work is expected to be more than offset by revenue from the sale of any reusable pipe, scrap metal and the 55.8 ha parcel of land occupied by the Upper Tank Farm. YPL estimates the scrap value of the steel at \$0.4 million less \$0.1 million as an allowance for transportation costs. The value of the land was estimated at \$2.0 million and YPL expects to incur \$0.1 million in selling costs to dispose of its land. After disposal of these assets, YPL expects the project to generate a surplus of \$0.6 million.

An affiliated company, White Pass Transportation Limited ("White Pass"), a wholly-owned subsidiary of YPL's parent company, WPYCL, has agreed to provide interim financing to fund the cost of the project to a maximum of \$2.3 million. Mr. King, who appeared as an officer of both YPL and White Pass, indicated that White Pass is prepared to provide a covenant to the Board for the funding arrangement. Mr. King also indicated that White Pass has cash in excess of \$20.0 million and retains some land in the Yukon.

YPL stated that it used a conservative approach in preparing its estimates. The estimates for the salvage operation and proceeds from the sale of pipe and tanks as scrap were prepared by experts in affiliated companies in which YPL has complete confidence. The proceeds from the sale of the pipe could be greater, if it is not sold as scrap. The value of the land is based upon its sale in 100, one-half ha lots for residential and commercial use. Concerning the estimate of the cost of remedial work, Golder's estimate of \$0.5 million is based upon adoption of their risk-based approach. Costs are expected to be less with the risk-based approach as time is not a major factor and Golder does not anticipate that off-site disposal will be required. Golder indicated that their estimate has a potential of a 25% error.

The City of Whitehorse appeared at the hearing and generally supported YPL's estimate for the value of its land.

### *Views of the Board*

Having considered the evidence respecting land and salvage value, the abandonment and site remediation costs and the undertakings by White Pass to provide interim financing to YPL, the Board is satisfied that YPL has made reasonable financial arrangements to fund the abandonment.

## Chapter 3

# Abandonment of the Facilities

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### 3.1 Dismantling of the Facilities

Most of the pipeline lies next to the railway owned and operated by WPYCL, YPL's parent company, or wholly owned subsidiaries of WPYCL. Dismantling and removal of this portion of pipeline will be conducted from railway-mounted equipment. The pipeline will be cut into 12.2 m long sections using hand held cutting instruments or an hydraulic shear operated from a flat car. The sectioned pipe will be loaded onto flat cars using cranes and transported to temporary storage sites. Once a final destination for the salvaged pipe is decided upon, the pipe will be transported by truck or barge to that destination for scrap or reuse.

Sections of the pipeline not immediately adjacent to the railway will be dismantled, loaded and removed by trucks and truck-mounted equipment. A two km long section of the pipeline through a wetland near Cowley Lake will be removed when the ground is frozen during the winter in order to minimize disturbance to the wetland.

The 24 tanks and yard piping at the Upper Tank Farm and the tank and yard piping at the Carcross pump station will be dismantled by a qualified contractor and temporarily stored on land owned by YPL at the Upper Tank Farm. Once a final destination for the scrap metal is determined it will be transported to that destination by railway, truck or barge. YPL stated that in order to proceed with Phase II of the ESA at the Upper Tank Farm prior to the close of this year's window, dismantling of the tanks and piping must proceed as soon as possible. Certain parties also expressed the view that the Upper Tank Farm facilities should be removed as soon as possible.

#### *Views of the Board*

The Board is satisfied with the procedures set out by YPL for dismantling, removing, storing and transporting the subject facilities.

### 3.2 Phase II of the Environmental Site Assessment

Phase II of the ESA will include the majority of the subsurface exploration program to further delineate contaminant plumes identified in Phase I. YPL indicated that the Phase II environmental investigation report and remedial plan will be filed with the Board upon completion. YPL also stated that it would obtain the appropriate approvals and permits to conduct the Phase II ESA.

YPL submitted that the CCME industrial land use criteria will be applied for the portion of the right-of-way adjacent to the railway and to roadways, as the current and intended future land use is commercial/industrial. The CCME residential land use criteria will be used to evaluate the level of contamination along portions of the right-of-way where facilities are close to residential structures. In addition, water supply wells and other potable water supplies within 300 m of the pipeline right-of-way will be sampled as part of the Phase II ESA. In response to a concern raised by Canadian



Heritage YPL undertook to take additional samples of the water at the location where campers use Bennett Lake as a water source to confirm that there is no current contamination of the lake water.

Further work under the Phase II ESA at the five sites along the pipeline identified in the Phase I ESA includes: test pit excavation, borehole drilling, groundwater monitoring well installation and soil and groundwater chemistry analyses. During the removal of the pipeline, YPL will have an environmental consultant on site and olfactory and visual observations will be made for potential soil and groundwater contamination.

A risk-based Phase II ESA of the Upper Tank Farm tank farm will be undertaken in the fall of 1996. Since the intended future land use for the site is residential, the CCME residential/parkland scenario will be used for the assessment. Details on the work to be conducted under the Phase II ESA at the Upper Tank Farm were provided in Golder's report on the Phase I ESA. This work will include a test pit excavation program, a bore hole drilling program, further groundwater monitoring well installations, development and testing of a sampling program and soil and groundwater chemistry analyses.

YPL indicated that the CCME metals analysis will be included in the Phase II ESA work on groundwater. In response to a concern raised by Health Canada, YPL indicated that it will outline the zone of potential migration of any contamination. Within this zone all water wells will be sampled and if contamination is found to exist or will likely exist in the future YPL will recommend a remediation program.

If any Phase II ESA work is required at the Carcross pump station the work will include test pit excavations, borehole drilling, groundwater monitoring well installation and soil and groundwater chemistry analyses. CCME metals analysis will be included in the Phase II ESA work at the Carcross pump station.

Interested parties raised a variety of concerns with respect to the Phase II ESA for the pipeline and Upper Tank Farm. These were addressed in YPL's submissions to the Board, responses to information requests and evidence provided at the hearing. Environment Canada recommended a provision for technical review and approval of the detailed sampling plan selected for the Phase II ESA. In response YPL stated that comments and input received during the proceeding would be incorporated, however, Golder, a reputable environmental consulting firm, is capable of conducting the Phase II ESA without technical assistance or scrutiny.

### *Views of the Board*

The Board is satisfied with the Phase II ESA strategy selected by YPL for the pipeline right-of-way, Upper Tank Farm and Carcross pump station. The Board is also satisfied that further review and approval of the Phase II ESA plan or components of that plan is not required. However, YPL should file a report with the Board before commencing the Phase II ESA which describes the detailed methodologies and includes a summary of the comments and concerns of interested persons and a description of how YPL has addressed or will address those comments and concerns.

### 3.3 Site Remedial Work

Upon completion of the Phase I and II ESAs data will be analyzed by Golder using the CCME Interim Canadian Environmental Quality Criteria to assess the need for remedial work. Any contaminated sites will then be classified using the CCME National Classification System for Classification of Contaminated Sites. In addition to CCME criteria, the requirement to conduct site remedial work will be determined by the examination of site specific conditions. Where contaminant plumes are identified but the extent of contamination is not fully defined, YPL submitted that additional investigations may be recommended.

YPL testified that it intends to remediate the shallow soils or zone of active development. At the Upper Tank Farm, since the intended future land use is residential, the active zone is as deep as the excavation for a residential basement. YPL testified that all contaminated soils in the zone of active development will be excavated and remediated to applicable land use criteria and either left on the property, or if they are unable to achieve the applicable criteria, they will be disposed of at a permitted facility.

Below the zone of active development, contaminated materials will be managed in place. YPL will use the application of a quantitative risk assessment to support the in situ management of that material. The documents "Human Health and Ecological Risk Assessment" (March 1996) and "Framework for Conducting Human Health Risk Assessments" will be used as the framework for the human health and ecological risk assessment.

For groundwater remedial work YPL indicated that development, sampling and response testing protocols would be the same as for the Phase I and Phase II programs. YPL also indicated that the chemical analyses would be specific to the parameters of concern identified in the Phase I and II investigation program. All new wells, excluding those where floating hydrocarbons are detected, and selected wells installed during the Phase I ESA will be purged and sampled for groundwater chemistry.

Interested parties raised a variety of concerns with respect to clean-up and site remedial work for the pipeline and Upper Tank Farm. These were addressed in YPL's submissions to the Board, responses to information requests and evidence provided at the hearing. Environment Canada recommended a provision for technical review and approval of the results of the Phase II ESA.

#### *Views of the Board*

The Board notes that the need for and extent of any site remedial work will be determined from the results of the Phase II ESA. Accordingly, the Board is of the view that YPL should file a report with the Board following completion of the Phase II ESA which describes the results of the assessment and the remedial measures selected for the pipeline, the Upper Tank Farm and the Carcross pump station. The report should include a description of any remedial measures already undertaken, a summary of the comments and concerns of interested persons, a summary of how YPL has addressed or will address those comments and concerns, a priority ranking for the sites requiring remedial work, a schedule for the work to be undertaken at each site and the projected costs.

### 3.4 Follow-up Consultation and Reporting

Several interested parties expressed their desire to be consulted during the planning and implementation of any site remedial work. In regard to ongoing consultation with interested persons, YPL indicated that it would meet with the interested persons that have participated in the process to determine what their requirements are for ongoing consultation. YPL indicated that it is committed to getting input from interested persons, providing them with sufficient information and, where appropriate, incorporating the comments into its plans.

#### *Views of the Board*

The Board notes that programs for site remedial work will be developed as the abandonment project progresses and further information becomes available. Accordingly, the Board is of the view that continuing consultation with interested persons is appropriate and beneficial. In addition, direction from the Board on further investigative work or site remedial work, or both, could be required. The Board is also of the view that once the site remedial work is complete, interested persons and the Board should have the opportunity to examine the final results.

In closing, the Board notes the practical and amenable manner in which the parties involved in this proceeding dealt with the issues and conducted themselves throughout the proceeding. In this regard, the Board commends YPL and the interested parties.



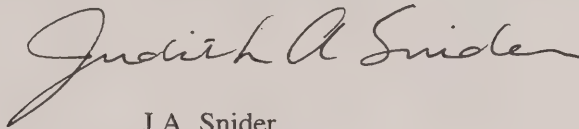
## Chapter 4

# Disposition

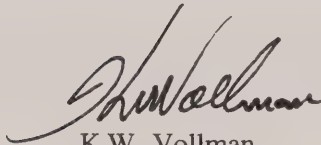
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The foregoing constitutes our Reasons for Decision in this matter.

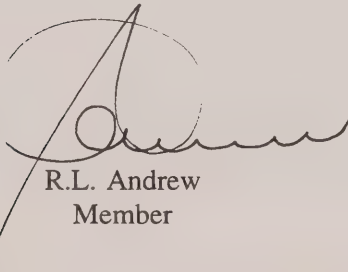
The Board will issue Order MO-7-96, granting leave to abandon the subject facilities subject to the terms and conditions set out therein.



J.A. Snider  
Presiding Member



K.W. Vollman  
Member



R.L. Andrew  
Member

## Appendix I

### Order MO-7-96

---

IN THE MATTER OF the *National Energy Board Act* ("the Act") and the regulations made thereunder; and

IN THE MATTER OF an application, pursuant to section 74 of the Act filed with the Board by Yukon Pipelines Limited ("YPL"); under File No. 3400-Y001-2.

BEFORE the Board on 6 September 1996.

WHEREAS the Board has received an application filed by YPL dated 12 July 1995, respecting the abandonment of the operation of the refined petroleum products pipeline running from a point on the international boundary between Alaska, U.S.A and the province of British Columbia, to Whitehorse, Yukon;

AND WHEREAS the Board considered evidence and arguments of the Applicant and Interested Parties in an oral public hearing held on 20 August 1996 pursuant to Hearing Order MH-3-96;

AND WHEREAS pursuant to the *Canadian Environmental Assessment Act* ("CEAA"), the Board has considered the information submitted by YPL and has performed an environmental screening of the abandonment proposal;

AND WHEREAS the Board has determined, pursuant to paragraph 20(1)(a) of the CEAA, that, taking into account the implementation of YPL's proposed mitigative measures and those set out in this Order, the proposal is not likely to cause significant adverse environmental effects;

AND WHEREAS, the Board has examined the application and the evidence and arguments presented by YPL and Intervenors in this proceeding and has found it to be in the public interest to grant the relief requested in the application;

IT IS ORDERED THAT YPL is granted leave to abandon the operation of its pipeline in accordance with the policies, practices, recommendations and procedures included or referred to in its application, including the environmental reports and other materials filed as part of its application, its responses to information requests and the undertakings and statements made by it in this proceeding. In accordance with an undertaking made by YPL, in planning and conducting the remaining investigation, decommissioning and remedial work, YPL shall provide information to and consider the comments of any persons who indicate to YPL that they wish to be consulted. Pursuant to subsection 19(1) of the Act, this Order shall come into force on the performance to the satisfaction of the Board of the following conditions:

1. Unless the Board otherwise directs, YPL shall file a report on the results of the Phase I field investigation for the Carcross pump station which shall include a summary of the comments and concerns of interested persons and a summary of how YPL has addressed or will address those comments and concerns.
2. Unless the Board otherwise directs, YPL shall provide to the Board the results of its review of the inconsistencies in the spill data identified by Environment Canada, including an assessment of whether further action is required.
3. Unless the Board otherwise directs, YPL shall file a report before commencing the Phase II field investigation programs for the pipeline, the Upper Tank Farm and the Carcross pump station which shall describe the detailed methodologies for those programs and shall include a summary of the comments and concerns of interested persons and a summary of how YPL has addressed or will address those comments and concerns.
4. Unless the Board otherwise directs, YPL shall dismantle its facilities to facilitate the Phase II field investigation programs.
5. Unless the Board otherwise directs, YPL shall file a report following completion of the Phase II field investigation programs which shall describe the results of those programs and the remedial measures selected for the pipeline, the Upper Tank Farm and the Carcross pump station and shall include a description of any remedial measures already undertaken, a summary of the comments and concerns of interested persons, a summary of how YPL has addressed or will address those comments and concerns, a priority ranking for the sites requiring remedial work, a schedule for the work to be undertaken at each site and projected costs.
6. YPL shall carry out the remedial work in accordance with the report to be filed pursuant to Condition 5 above, subject to any modifications, including additional investigative or remedial work, that may be directed by the Board from time to time before the Board accepts the final report to be filed pursuant to Condition 7 below.
7. Unless the Board otherwise directs, YPL shall file a final report following completion of the remedial work which shall demonstrate the success of the remedial work based on the criteria outlined by YPL in its application and in other evidence filed or otherwise given by YPL in this proceeding.













